

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6383

BILL NUMBER: SB 113

NOTE PREPARED: Dec 9, 2010

BILL AMENDED:

SUBJECT: Confined Feeding Operation Approvals.

FIRST AUTHOR: Sen. Paul

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a three-year moratorium on (1) the start of construction of confined feeding operations; and (2) the expansion of confined feeding operations that increase animal capacity or manure containment capacity, or both.

Effective Date: July 1, 2011.

Explanation of State Expenditures: There could be some reduction in expenditures for the Department of Environmental Management (IDEM). IDEM travels to appear before local governments considering applications for confined animal feeding operations as part of the permit program. (IDEM's Office of Land Quality oversees confined animal feeding operations. In 2010, over 2,000 operations had an IDEM permit to operate confined animal feeding operations.)

Explanation of State Revenues: IDEM issued 128 applications to construct a confined animal feeding facility in FY 2010. A confined feeding operation owner/operator is required to submit an application fee of \$100.

The moratorium would mean that IDEM could not accept applications for confined feeding operation construction permits. Consequently, IDEM would not collect fees associated with the applications. If the number of applications without the moratorium would have remained constant, the revenue decrease would equal about \$12,000 per year. This revenue decrease could parallel the decrease in expenditures that would result from not having to administer and oversee the permit of the operation.

Fee revenue is deposited in the Environmental Management Permit Operation Fund, which is used to finance

IDEM administrative operations associated with issuing permits.

Explanation of Local Expenditures: The specific impact is not expected to be significant. The bill could result in a decrease in administrative expenditures for local units involved in approving operations.

Explanation of Local Revenues: The specific impact is not expected to be significant. The bill could result in a reduction in the collection of filing fees or public notification costs.

State Agencies Affected: IDEM.

Local Agencies Affected: Counties; planning and zoning authorities.

Information Sources: IDEM.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.